UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/523,653	03/10/2000	Jay S. Walker	99-062	5172

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EXAMINER
COLBERT, ELLA

ART UNIT	PAPER NUMBER
3624	

DATE MAILED: 05/20/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

		Application No.	**Applicant(s)**	
Office Action Summary		09/523,653	WALKER ET AL.	
		Examiner	**Art Unit**	
		Ella Colbert	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>10 January 2005</u>.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-24,35 and 56</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-24,35 and 56</u> is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

        1.☐ Certified copies of the priority documents have been received.

        2.☐ Certified copies of the priority documents have been received in Application No. _____.

        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

DETAILED ACTION

1.   Claims 1-24, 35, and 56 are pending. Claims 1 and 56 have been amended in this communication filed 1/10/05 entered as Response After Non-Final Action.

2.   The 35 USC 112 second paragraph rejection of claims 1, 21, 35, and 56 still remains as set forth here below.

3.   The 35 USC 101 rejection of claims 1 and 56 has been overcome by Applicants' amendment to the claims and is hereby withdrawn.

Claim Rejections - 35 USC § 112

4.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5.   Claims 1, 21, and 35 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

It is unclear and vague in the claim language what Applicant means by specified auction behavior in claim 1. Does Applicant mean the controlling of a rule when the bid can be placed? It is unclear and vague in the claim language what Applicant means by identifying an auction behavior in claim 21 and a behavior selector in claim 35. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Claim Rejections - 35 USC § 103

6.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed
> or described as set forth in section 102 of this title, if the differences between the
> subject matter sought to be patented and the prior art are such that the subject
> matter as a whole would have been obvious at the time the invention was made
> to a person having ordinary skill in the art to which said subject matter pertains.
> Patentability shall not be negatived by the manner in which the invention was
> made.

7.   Claims 1-24, 35, and 56 are rejected under 35 U.S.C. 103(a) as being

unpatentable over (US 6,012,045) Barzilai et al, hereafter Barzilai in view of (US

6,718,312) McAfee et al, hereafter McAfee.

As per claims 1 and 21, Barzilai teaches, A system for managing an auction,

comprising: specifying, via a computer processor, an auction behavior (col. 2, lines 25-

54); and specifying at least one rule for controlling when a bid may be placed

automatically for a bidder in the auction according to the specified auction behavior (col.

10, lines 32-57 and col. 7, lines 17-34). Barzilai did not expressly disclose when a rule

for controlling when a bid may be placed automatically for a bidder. McAfee teaches

controlling when a bid may be placed automatically for a bidder (col. 1, lines 32-57 and

col. 4, lines 22-52). However, Barzilai does teach a customer reviewing the rules ·

regarding the bid, auction, and sale system and it would have been obvious to a skilled

artisan for Barzilai to incorporate the teachings of McAfee of controlling when a bid may

be placed automatically for a bidder into Barzilai in view of Barzilai's teachings of

auction rules and bidding and because such a modification would allow Barzilai to have

bid restrictions and additive activity rules to control the behavior of auction participants.

Bazilai further teaches a means (a system) for identifying and auction behavior (col. 2, lines 50-52).

As per claim 2, Barzilai failed to teach, The method of claim 1, further comprising: automatically placing at least one bid for a bidder according to the at least one rule and according to at least one specified bidding behavior. McAfee teaches, automatically placing at least one bid for a bidder according to the at least one rule and according to at least one specified bidding behavior (col. 2, lines 45-65). It would have been obvious to one having ordinary skill in the art at the time the invention was made to automatically place at least one bid for a bidder according to the at least one rule and according to at least one specified bidding behavior and to incorporate in Barzilai because such an incorporation would allow Barzilai to have a bidder's eligibility for current bidding dependent upon the past bidding activity according to activity rules.

As per claim 3, Barzilai teaches, The method of claim 2, wherein the specified bidding behavior comprises a maximum bid and a minimum bid increment (col. 3, line 27-col. 14, line 9, and col. 19, lines 39-45).

As per claim 4, Barzilia teaches, The method of claim 2, wherein automatically placing at least one bid for the bidder comprises: if a highest bid in the auction is not from the bidder, placing the bid according to the at least one specified bidding behavior at a time according to the at least one rule (col. 14, lines 10-34).

As per claim 5, Barzilia teaches, The method of claim 1, further comprising: receiving at least one bid placed automatically according to the at least one rule and

according to at least one specified bidding behavior (col. 15, lines 2-10 and col. 16, line 24-col. 17, line 16).

As per claim 6, Barzilia teaches, The method of claim 1, wherein specifying an auction behavior comprises determining the auction behavior according to information about the auction (col. 17, lines 23-32).

As per claim 7, Barzilia teaches, The method of claim 6, wherein the information about the auction comprises at least one of information about an item, information about a seller and information about bidders (col. 17, line 56-col. 18, line 36 and col. 21, lines 53-62).

As per claim 8, Barzilia teaches, The Method of claim 7, wherein determining the auction comprises; receiving information about one or more prior auctions, wherein each of the prior auctions has an associated auction behavior; identifying at least one of the prior auctions as similar to the auction based on the information about the auction and the information about the one or more prior auctions; and selecting one or more of the prior auctions identified as similar to the auction (col.2, line 20-col. 3, line 3, col. 5, lines 25-67, col. 9, line 37-col. 10, line 31, and col. 12, line 46-col. 13, line 26)..

As per claim 9, Barzilia teaches, The method of claim 8, further comprising selecting the auction behavior associated with the selected one or more prior auctions as the auction behavior (col. 10, lines 58-67 and col. 12, line 51-col. 13, line 16).

As per claim 10, Barzilia teaches, The method of claim 8, wherein identifying at least one of the prior auctions similar to the auction comprises: comparing information about the auction to the information about the one or more prior auctions using a metric

to obtain a measure; and comparing the measure to a threshold defining an extent of similarity (col. 13, line 26-col. 14, line 34).

As per claim 11, Barzilia teaches, The method of claim 8, wherein the selected one or more prior auctions has a best outcome among the at least one of the prior auctions identified as similar to the auction (col. 16, line 24-col. 17, line 16).

As per claim 12, Barzilia teaches, The method of claim 11, wherein a best outcome is at least one of a highest price and a fastest sale (col. 18, lines 7-23).

As per claim 13, Barzilia teaches, The method of claim 1, wherein specifying at least one rule comprises: associating at least one rule with at least one candidate auction behavior from which the auction behavior is specified; and selecting the at least one rule associated with the specified auction behavior (col. 5, lines 19-40).

As per claim 14, Barzilia teaches, The method of claim 13, wherein associating at least one rule with each candidate auction behavior comprises: determining at least one rule that corresponds to each candidate auction behavior; and storing the at least one rule in a database (col. 5, lines 57-67 and col. 18, lines 37-46).

As per claim 15, Barzilia teaches, The method of claim 14, wherein determining at least one rule which corresponds to each candidate auction behavior comprises: characterizing each candidate auction behavior; and selecting rules corresponding to the candidate auction behavior (col. 19, lines 20-52 and col. 22, lines 15-48).

As per claim 16, Barzilia teaches, The method of claim 13, wherein a candidate auction behavior is a behavior of an auction similar to the current auction (col. 6, lines 27-37 and col. 7, lines 17-29).

As per claim 17, Barzilia failed to teach, The method of claim 1, further comprising: evaluating actual auction behavior according to bids received in the auction; and modifying the at least one rule for controlling when a bid may be placed automatically in the auction according to the actual auction behavior. McAfee teaches evaluating actual auction behavior according to bids received in the auction; and modifying the at least one rule for controlling when a bid may be placed automatically in the auction according to the actual auction behavior (col. 8, line 48-col. 9, line 7). It would have been obvious to one having ordinary skill in the art at the time the invention was made to evaluate actual auction behavior according to bids received in the auction; and modifying the at least one rule for controlling when a bid may be placed automatically in the auction according to the actual auction behavior and to incorporate the teachings of McAfee into Barzilia because such an incorporation would allow Barzilia to apply rules that make a bidder's eligibility for current bidding dependent upon the past bidding activity.

As per claim18, Barzilia teaches, The method of claim 17, wherein evaluating the actual auction behavior comprises: characterizing the actual auction behavior according to bids received in the auction; comparing the selected auction behavior to the actual auction behavior (col. 2, line 41-col. 3, line 3).

As per claim 19, Barzilai teaches, The method of claim 17, wherein modifying the at least one rule comprises: selecting at least one alternative rule corresponding to the actual auction behavior (col. 5, line 19-56).

As per claim 20, Barzilai teaches, The method of claim 19, wherein selecting the at least one alternative rule comprises selecting the at least one alternative rule randomly from among a plurality of rules (col. 6, lines 58-67).

As per claim 21, Barzilai teaches, A system for managing an auction, comprising: means for identifying an auction behavior (col. 2, lines 25-54); and means for identifying at least one rule for controlling when a bid may be placed automatically for a bidder in the auction according to the selected auction behavior (col. 7, lines 17-34). Barzilai did not specifically disclose when a rule for controlling when a bid may be placed automatically for a bidder. However, Barzilai does teach a customer reviewing the rules regarding the bid, auction, and sale system and it would have been obvious to a skilled artisan for Barzilai to control when a bid may be placed automatically for a bidder in view of Barzilai's teachings of auction rules and bidding.

As per claim 22, Barzilai teaches, A system for managing an auction, comprising: an auction behavior selector providing an indication of a selected auction behavior (col.10, lines 44-63; and a rule generator having an input for receiving an indication of the selected auction behavior and an output providing at least one rule for controlling when a bid may be placed automatically for a bidder in the auction to encourage the selected auction behavior (col. 4, lines 7-10, col. 5, lines 25-40, and col. 10, lines 53-67). Barzilai did not specifically disclose a rule generator having an input ... and an output providing at least one rule ...". However, Barzilai did disclose rules regarding the bid and auction and a rule display. It would have been obvious to one having ordinary skill in the art that a skilled artisan would have incorporated a rule generator with an

input for receiving and indication of the selected auction behavior and an output
providing at least one rule for controlling a bid ... in view of Barzilai's teachings of rules,
a password control and a rule display and because such a modification would allow
Barzilai to permit a user to place a reasonable number of bids on a single product or
service whereby the system accepts the highest bid submitted by all bidding customers

As per claim 23, Barzilai teaches, The system of claim 22, wherein the auction
behavior selector comprises: a comparator having an input for receiving the information
about the at least one prior auction and information about the auction, and an output for
providing an indication of at least one of the prior auctions similar to the auction (col. 22,
lines 49-67); a selector having an input for receiving the indication of one or more of the
prior auctions identified as similar to the auction and an output for providing an
indication of the auction behavior associated with a selected one or more of the prior
auctions (col. 21, lines 63-67 and col. 22, lines 1-14).

As per claim 24, Barzilai further teaches, A computer program product comprising: a
computer readable medium (col. 3, lines 54-60); and computer program instructions
stored on the computer readable medium, wherein the computer program instructions
(col. 5, lines 18) to perform the steps of claim 24.

This independent claim is rejected for the similar rationale as given above for
claim 21.

As per claim 35, Barzilai teaches, A system for selecting an auction behavior for an
auction, comprising: a behavior database in which associations between information
about auctions and auction behaviors is stored (col. 6, lines 27-37 and fig. 2); and a

behavior selector having an input for receiving information about the auction and an

output for providing an indication of an auction behavior for the auction using the

behavior database (col. 6, lines 39-50).

As per claim 56, This independent claim is rejected for the similar rationale as

given above for claims 1-24 and 35.

Response to Arguments

8.   Issue no. 1: Applicants' argue: With respect to the assertion on page 2 of the

Office Action that the rejected claims 1, 21, 35, and 56 "appear to have at least one step

missing from the claim", the basis for this assertion is unclear, and it is unclear whether

this basis is separate from the bases in the subsequent paragraph has been considered

but is not persuasive. Response: It cannot be determined whether there is a step or

steps missing from the claims because the claim language as indicated is unclear. It is

not understood what the specified auction behavior is in claim 1, in claim 21 how the

auction behavior is identified, and in claim 35 what is meant by a behavior selector. The

Examiner is inquiring as to whether steps are left out of the claims that clarify these

limitations. Although the claims are interpreted in light of the specification, limitations

from the specification are not read into the claims. See *In re Van Geuns*, 988

F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Issue no. 2: Applicants' argue: Barzilai does not disclose or suggest any means

for identifying an auction behavior and for this reason, no prima facie case of

obviousness of claim 21 has been shown has been considered but is not persuasive.

Response: An auction behavior can be the electronic payment of funds from the bidder

for each bid based upon the number of bids submitted by the bidder.

Conclusion

10.   The prior art made of record and not relied upon is considered pertinent to

applicant's disclosure.

       Alaia et al (US 6,230,146) disclosed electronic auctions involving multiple lots
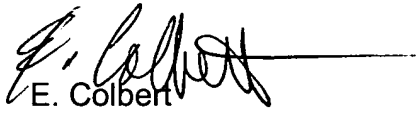
and rules.

Inquiries

11.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Ella Colbert whose telephone number is 571-272-6741.

The examiner can normally be reached on Monday-Thursday, 6:30AM-5:00PM.

       If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Vincent Millin can be reached on 571-272-6747. The fax phone number for

the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

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For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free).

E. Colbert
May 16, 2005